

Remarks by State Treasurer Phil Angelides
Hispanas Organized for Political Equality (HOPE) Conference
April 17, 2002

Let me start with the thought that what you are doing - organizing as Latinas - is very important for the future of our State and for your communities - because how well you organize and the passion you bring to the political process will dictate the quality of life in our State for years to come.

As a first-generation Greek American, I am conscious, as are you, of the rich blend that constitutes California. And I want to say how thankful we ought to be that we are now in a new era in our State where we celebrate diversity. We understand that it is not all about assimilation. It is about pride in our own community and contributing to the strength of California, I applaud and thank you for the fact that you have started to organize for the future of California.

On the way here this morning, I thought a little bit about my personal journey - about growing up in an ethnic household in the 1950s and 1960s and about the pressures of assimilation. And I also thought about the remarkable progress that the Latino community has made politically in this State in the last few years.

When I first got out of college I was a Coro Foundation Fellow in Los Angeles, and I saw the director, Carrie Lopez, here this morning. When the fellowship was over and I returned to Sacramento, I came to work at the Capitol. It was my dream, as a young man, to be in public service, and I did that before I went into business for 15 years. And when I began work at the Capitol, there were only six Latinos in the State Legislature. Today, there are 25, including 10 Latinas representing, not only your interests, but the interests of women and children throughout the State of California.

We are at a seminal time and place in our State. We have just emerged from one of the most remarkable decades experienced by any society on earth. I do not think it is an overstatement to say that by the end of the 1990s - in the aggregate - we had become the wealthiest State in the richest nation on earth. We had the fifth largest economy, a gross state product of \$1.3 trillion, and in many ways California was the crucible of the new global economy.

As we enter the 21st century, we must come to grips with the fact that the prosperity of the 1990s was not shared by all, and that if we want to be a truly preeminent society as we move into the decades to come, we must reinvigorate our commitment to invest in the future so that we do not become a society of two Californias - the "haves" and "have-nots." Although there was a remarkable story of success throughout the 1990s - rapid rises in personal income and the creation of wealth that was literally unprecedented in world history - we are also a State where one in five children live in poverty. That ratio rises to one in three in the San Joaquin Valley. And there are 7 million Californians who do not have health insurance.

Even as the incomes of the wealthiest 1 percent rose to more than \$800,000 by 1997, the incomes of the poorest 20 percent fell to \$12,000 a year. I believe that if we want to be the richest State in the truest sense of the word - if we want to be economically vibrant - we must recommit ourselves to closing the opportunity gap that, yes, does course across racial and ethnic lines in our State.

We made some progress during the last couple of years. We proudly added 300,000 new children to the Healthy Families insurance program. Hopefully, this year we can add 300,000 parents to that program so that parents, as well as children, can have health insurance.

I think you know that not only do too many Californians suffer without health insurance, but Latinos are particularly affected. Only 43 percent of Latino families have employment-related health coverage, and more Latino children are uninsured than any other ethnic group. We can do better in the richest State in the wealthiest nation on earth.

We have made progress in education, but we have miles to go. And you and I know that we must and can do much better if we want to have the most competitive workforce in the 21st century. It is clearly unacceptable for us, as a society, to allow 80 percent of the predominantly Latino schools in this State to be in the lowest two deciles of the academic performance index. We must do better.

A Unitarian minister named James Freeman Clark said, "The difference between a politician and a statesman is a politician thinks of the next election; and a statesman thinks of the next generation."

We need to think of the next generation. Over the next 20 years, our state is going to grow by 12 million new residents. This is going to put enormous challenges in front of us. It will add 2 million children to our school system. That is a level of growth that exceeds what we saw in the fifties, sixties and seventies combined. Our challenge will be to meet that growth and still stay economically and socially competitive in the years ahead.

And we must work to grow in ways that close the gaps of opportunity, not widen them. I believe the time is here for us to recommit ourselves to using our wealth in this State to create the conditions that will broaden opportunities for future generations.

As State Treasurer, I have tried not only to be a good manager of the tens of billions of dollars in our State's investment portfolio today, but also to work day and night to make investments that will keep us strong in the years to come.

California's success today was not just a miracle of private sector innovation, entrepreneurship, and wealth creation. As someone who spent 15 years in the private realm before I became Treasurer, I have great respect for what can happen through private enterprise.

But let's not forget that much of the reason that we are here is that we have this incredible partnership of the public and private sides; and as we emerged from the post-war era, we made strategic public investments that kept us strong for decades. We built the nine-campus university system and the 23-campus state university system that educated the most diverse and talented workforce in the world. We built a transportation system that was unrivaled in terms of moving people to work and goods to market. We built a State water supply system that literally has allowed the Central Valley to become the agricultural center of the world and the Southern California economy to become the most vibrant in this nation.

Now is the time to make a new set of investments for the 21st century.

I am proud that I worked very hard with the Legislature to put on this November's ballot a \$13 billion school bond measure and that we carved out \$400 million for charter schools in urban areas. This is an investment we must make for the future of California.

I am proud that we have fought for more funds for affordable housing, and most importantly that we have targeted our affordable housing resources to the urban communities and the rural communities most in need.

The time has come to reinvest in struggling communities in our society. I am proud that we have worked with many people across the State to create a loan program for health clinics and that we have made available \$22 million to aid those clinics. Forty-five percent of their clientele is Latino.

I am proud of my work with Gil Cedillo and Richard Alarcon to pass the Community Clinic Investment Act of 2000. Under that program, my office just recently made \$50 million in grants to community clinics for the benefit of diverse ethnic populations in this State. This allows for half a million more visits by working California families who do not have access to good health care. But the fact is, we still have miles to go in this State.

One of the things that I try to do as Treasurer is think long and hard about how we can take our investment portfolio, which is, at \$300 billion, the largest in the world, and not only get a good return for taxpayers but also how we can get a second bottom line, a "double bottom line" of increased opportunity here in California.

I was stunned when I came into office. As I said earlier, we invest billions of dollars in foreign emerging markets, where the risk is overseas. Yet we did not have the presence of mind or the courage to look at the emerging Hispanic market in this country that's now grown to \$400 billion a year and say: Let's reach out and make investments in the growing emerging markets here in California. Let's make investments in the San Joaquin Valley and East Los Angeles because we can get good returns and we can fuel the economy of the State.

So I am proud that, as Treasurer, we have increased our deposits in California financial institutions - community banks and credit unions - from \$1.9 billion dollars to over \$5 billion.

I am proud that we have begun to invest \$50 million in real estate development in the urban centers of California that for too long have been ignored. We now make investments in affordable housing, market rate housing, that top \$1.5 billion. And I am very proud that we have launched a new venture fund which is part, not of Southeast Asia, not of Western Europe, not of the emerging markets in Eastern Europe, but of the emerging markets in California.

When 11 partners were working side by side - African American partners, Latino partners, Asian American partners - we created the California Initiative to invest a half-billion dollars to grow businesses in places of high poverty, high struggle, so that we can get good returns and grow opportunity in California.

I will part with this thought. We are a State of enormous capacity, enormous wealth, and enormous talent. The challenge before us is whether we are going to see the richness of our diversity; whether we are going to see the challenges of opportunity that exist throughout our society, and whether we can meet those challenges and stay competitive in the years ahead.

Thank you.